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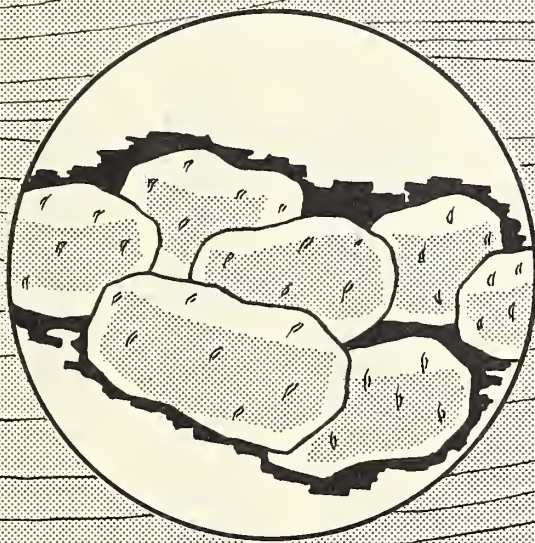
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CURRENT SPRING RECORD

1962

ACREAGE-MARKETING GUIDES



Spring Potatoes

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
AMG-22

Washington, D. C.
October 1961

1962 Acreage-Marketing Guides
Potatoes - Early and Late Spring

Season and State	:	:	:Percentage:	:
	: Planted	: Acreage	: guide is	: Marketing
	: acreage	: guide	: of 1961	: guide
	: 1961	: 1962	: acreage	: 1962
	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>	<u>1,000 cwt.</u>
<u>Early Spring:</u>				
Florida, Hastings	21,000	20,500	98	3,033
Florida, Other	3,500	3,500	100	417
Florida, Total	24,500	24,000	98	3,450
Texas	1,000	850	85	86
Total Early Spring	25,500	24,850	97	3,536
<u>Late Spring:</u>				
North Carolina, 8 N. E. Counties	13,300	12,750	96	1,823
North Carolina, Other	3,800	3,800	100	369
North Carolina, Total	17,100	16,550	97	2,192
South Carolina	6,000	5,800	97	470
Georgia	400	400	100	27
Alabama, Baldwin	15,500	14,800	95	1,774
Alabama, Other	9,000	7,650	85	589
Alabama, Total	24,500	22,450	92	2,363
Mississippi	3,800	3,800	100	213
Arkansas	5,200	5,200	100	307
Louisiana	3,800	3,800	100	194
Oklahoma	1,800	1,800	100	103
Texas	6,300	6,300	100	428
Arizona	10,600	9,000	85	2,189
California	58,500	49,700	85	15,862
Total Late Spring	138,000	124,800	90	24,348
Total Spring	163,500	149,650	92	27,884

F O R E W O R D

The acreage-marketing guides program for potatoes is designed to assist growers in balancing the supply with market requirements. The objective of the program is to provide the best possible estimates of acreages required to produce the quantity of potatoes necessary to satisfy market needs anticipated for the coming season.

On the basis of the latest and best available information, specific recommendations are developed for each state and area. Recognition is given to trends in recent years and for long time periods. Also, any abnormalities of preceding seasons are considered carefully. However, the recommendations are based upon the assumption that average conditions will prevail in the following season. The acreage recommendation is presented in terms of a percentage change from the acreage of the preceding year, so that each individual grower can apply this percentage-change recommendation to his own operation. The recommendations are reviewed before publication by representatives of various agencies of the Department of Agriculture.

The grower is provided with the Department's recommendation and also with the latest information upon which the recommendation is based. The information is presented to the grower in sufficient time for him to consider the facts as he develops his plans for the forthcoming season. The fundamental concept behind the guide program is that, given the best information possible, the grower will make intelligent decisions for his and the industry's best interest.

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1962 ACREAGE-MARKETING GUIDES
Potatoes - Early and Late Spring

I. SUMMARY OF ADJUSTMENTS

The primary purpose of acreage-marketing guides is to bring about a needed percentage change in planted acreage from that of the preceding year so that the resulting supply will be in line with market requirements. Each grower almost certainly knows the acreage of potatoes planted on his farm in 1961. Therefore, he should adjust his own acreage in accordance with the individual state guide. For example, where it is recommended that the state's 1962 potato acreage be decreased 5 percent from the acreage planted in 1961, all potato growers in the state should decrease their acreage by 5 percent. The recommended acreage adjustments necessarily assume normal weather, usual planting and harvesting schedules, and normal marketing patterns for potatoes. The recommendations also assume that average yields will be obtained. With these conditions, production from the guide acreages would provide all the potatoes the markets need, but not more than they can use.

Before planting time, growers and processors should take measures to evaluate carefully their potential outlets. Experience has demonstrated that potato producing areas which have available or have taken steps to provide local outlets for excess supplies, consisting of culls and other low-grade potatoes, assure themselves of a valuable price stabilizer. Growers and others associated with the marketing of potatoes should develop and use local outlets for low-grade potatoes to the maximum extent. The Department stands ready to provide guidance and suggestions for such endeavors.

II. DEMAND FOR POTATOES IN 1962

Prices received by growers for potatoes in the 1962 marketing year will depend largely upon the volume and pattern of marketings. While a given quantity of potatoes will bring better prices if consumer incomes are high, changes in potato supply have much more influence on potato prices than do changes in incomes. However, general economic conditions and consumer demand are also important. General economic activity continued to move upward during July and August 1961. The major forces sustaining the expansion include increased Federal, State, and local spending, a moderate turnaround in capital expenditures by business, more rapid accumulation of business inventories, and a moderate rise in residential construction outlays. Retail sales rose a little in August but consumer spending during the summer tended to lag. With widespread increases in demand, industrial production reached a new record and nonfarm employment registered substantial gains. Unemployment, however, remained close to 7 percent of the civilian labor force. Consumer incomes at a \$419.3 billion annual rate in August were 4 percent above the 1961 low and 3-1/2 percent above a year ago. Urban consumer prices advanced sharply in July, but prices paid by farmers for family living items were unchanged from June to August. Wholesale industrial prices have held steady since the fall of 1960.

In the first 6 months of 1961, per person expenditures for food were unchanged from the year earlier, averaging nearly \$390 per person at a seasonally adjusted annual rate. During this same period, retail prices for food rose 2 percent, so there probably was some small decrease in food use per person. A partial explanation of the apparent slackness in consumer buying may be the lack of rise in consumer income over the last year. Per capita disposable personal income, adjusted for changes in the price level, averaged about \$1,938 in the first six months of 1961 compared with \$1,947 a year ago. With consumer incomes now rising rapidly from the recession low at the beginning of 1961, the demand for food should be strengthened.

III. DEVELOPMENT OF THE NATIONAL GUIDE FOR POTATOES

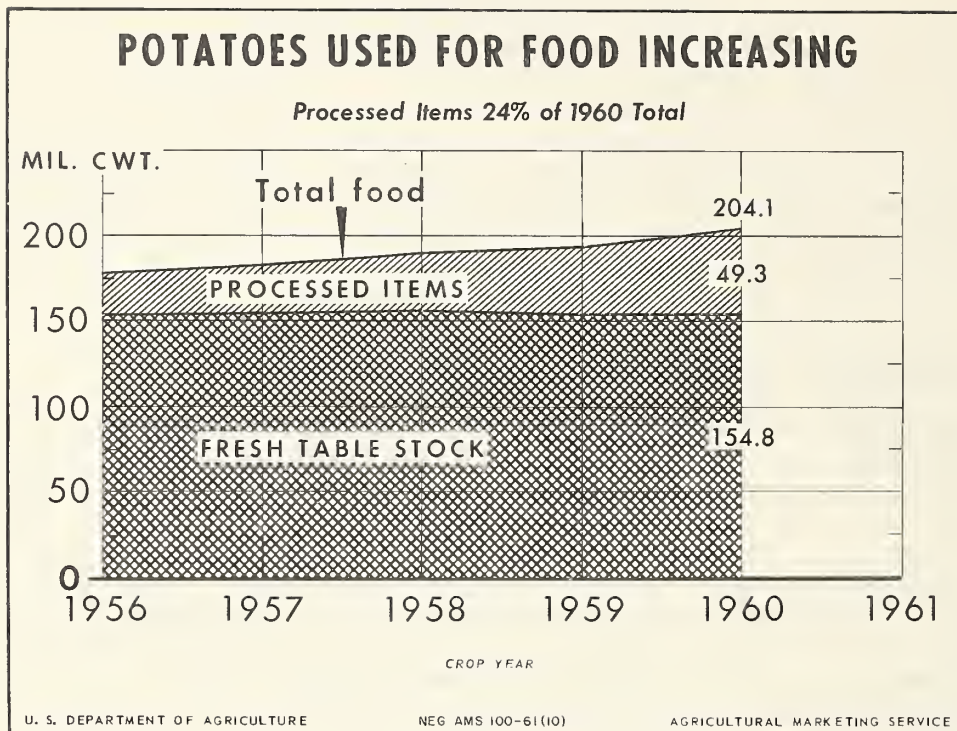
The national marketing guide for potatoes is an answer to the broad question, "How many potatoes do we need?" The national guide is based on the use of potatoes in the usual outlets in recent crop years; most of the annual supply has been and will continue to be used for food and seed. Levels and trends in the uses for food and seed and the other established outlets are carried forward to establish needs for the crop year ahead. The total marketing guide recommended for 1962 crop potatoes is 250 million hundredweight. The guide production is 10 percent less than the production currently indicated for 1961 but 2 percent more than the 1961 marketing guide. The use of a 250 million hundredweight crop would be about as follows:

<u>Utilization</u>	<u>Million cwt.</u>
Food, fresh and processed	208.4
Exports in excess of imports	1.0
Seed for 1963 plantings	21.5
Sold for starch, livestock feed and on-farm shrinkage, waste and loss	19.1
Marketing guide	250.0

Potatoes Used for Food:

The Nation's use of potatoes for food is continuing to show year-to-year gains and the upward trend is expected to continue through the 1961 and 1962 marketing years. Growth in population is helping to boost consumption. Each year our population is increasing by three million persons, an annual gain of almost two percent. But the sharp step-up in output and consumption of processed potato products has been the major factor in holding and increasing the use of potatoes for food.

From a relatively low level in 1956 of 180.1 million hundredweight, food use increased to 204.1 million hundredweight in 1960, a gain of more than 13 percent. Since 1956, the use of fresh potatoes for table food has held relatively stable, approximating 155 million hundredweight, but use of potatoes for processed potato products doubled. Processed food utilization increased from 24.8 million hundredweight in 1956 to 49.3 million hundredweight in the 1960 crop year.



Processors of potato chips and shoestrings used 21.3 million hundredweight of 1960 crop supplies, almost 50 percent more than in 1956. Use for frozen French fried and other frozen products increased from 4.7 million hundredweight in 1956 to 15.0 in 1960. And use for dehydration increased from 3.2 million hundredweight in 1956 to 10.1 in 1960.

On-farm use of potatoes for food has declined sharply because of the decline in the number of potato farms and population living on potato farms. Potato farm households used 5.5 million hundredweight in 1960, 40 percent less than the 9.3 million hundredweight estimated for the 1956 crop year. Persons who moved from farms to urban areas, however, bought food potatoes, and their purchases increased the quantity of potatoes "sold."

Packs of fresh potatoes will provide the bulk of potato food needs in 1962. However, processed potatoes are expected to account for an increasing proportion of potatoes used for food; the fresh pack proportion is expected to decrease. Manufacturing capacity for processed products, particularly for frozen and dehydrated items, increased sharply in 1960 and showed additional gains in 1961. An important factor in the increased use of potatoes for processed products has been the need to establish adequate inventories of dehydrated and frozen items throughout market channels. Indications are that supplies of these items had increased to adequate levels during the first half of 1961. For example, on July 1, 1961, stocks of frozen French fried potatoes were reported to be 183.4 million pounds compared with 50.9 a year earlier. On September 1, 1961, frozen French fried stocks had declined to 121.5 million pounds.

Civilian per capita consumption of potatoes in the 1960 calendar year is estimated at 113 pounds. This compares with 113 pounds in 1957, 106 in 1958, and 109 in 1959. During the past decade per capita consumption showed no definite trend. Per capita use, however, has been maintained satisfactorily, considering the ample supplies of most other foods, many of which were attractively priced. No marked uptrend in per capita use of potatoes is likely because supplies of most foods are expected to continue ample. Also, new food products will continue to enter the market and will compete with fresh and processed potatoes for consumers' dollars.

Seed Use: Seed requirements for the annual potato crop vary moderately from year to year, fluctuating in response to acreages planted. To plant the 1963 potato acreage and for the small quantity to be exported, growers will need approximately 21.5 million hundredweight of seed out of the 1962 crop.

Foreign Trade: Foreign trade in potatoes has only a limited effect on total domestic supplies. Most of the trade takes place with Canada, with both seed and tablestock moving to and from each country. Mexico and Venezuela also buy significant quantities from time to time. Recently, a "dump duty" was imposed on potatoes by Canada, and Switzerland established quota limitations on imports of instant mashed potatoes. Net exports of fresh potatoes in the 1962 marketing year are expected to amount to approximately one million hundredweight.

Residual Use: Food, seed, and exports represent the primary outlets for potatoes. Starch and livestock feed sales, and on-farm feed, shrinkage, waste and loss are so-called residual uses. Residual quantities vary with the size of the crop; large residual quantities accumulate when production is large and in surplus of needs. A residual of 31.3 million hundredweight was reported for the 1960 crop, 29.9 for the 1959 crop and 56.5 for the 1958 crop. Farmers' prices usually show a high average when residual quantities are low; the opposite also is true.

IV. ALLOCATION OF THE NATIONAL GUIDE TO THE SEASONAL CROPS AND TO STATES

The 1962 marketing guide of 250 million hundredweight is allocated to the seasonal crops on the basis of the 1958-61 average seasonal production as a percentage of U. S. production. In the four years ended 1961, the early and late spring crops combined accounted for 11 percent of the U. S. production. The marketing guide in 1962 for the combined spring crops is 27.8 million hundredweight, 11 percent of the national guide.

The 1962 spring guide was allocated to spring states and areas on the basis of the state's 1958-61 average production related to total spring production. The marketing guide for each state, which was derived from the average production, was divided by the expected average yield per acre to obtain the 1962 acreage guide. The acreage guides in some spring crop states were adjusted so that the acreage guide was at least 85 percent but no greater than (100 percent limitation) the acreage planted in 1961. Acreage marketing

guides for each spring state and area are listed on the inside cover.

Recommended acreage decreases include 15 percent in Arizona, California, and in the early spring area of Texas, 5 percent in Baldwin County, Alabama, 4 percent in the northeastern counties of North Carolina, 3 percent in South Carolina, and 2 percent in the Hastings area of Florida. No change in acreage is recommended for Arkansas, Louisiana, Mississippi, Oklahoma, and the late spring area in Texas.

In the late winter and spring of 1962, supplies of storage potatoes are expected to be large. Also, inventories of processed potatoes are expected to be heavier than in 1961. Growers of spring potatoes can expect significant competition from overlapping supplies of storage potatoes, both fresh and processed, which will tend to check demand for new potatoes. In 1962, spring crop growers should gauge carefully market potential for new potatoes.

V. SPRING CROP SUMMARY

Almost all of the early spring crop originates in Florida. Two-thirds of the late spring crop is produced in California, principally in Kern County, and most of the remainder is harvested in Alabama, Arizona, and North Carolina. Weather frequently distorts planting and harvest schedules. The marketing season for spring potatoes is of relatively short duration. In some years the number of marketing days may be reduced because of the weather, and shipments bunch, and flow of supplies into markets is erratic.

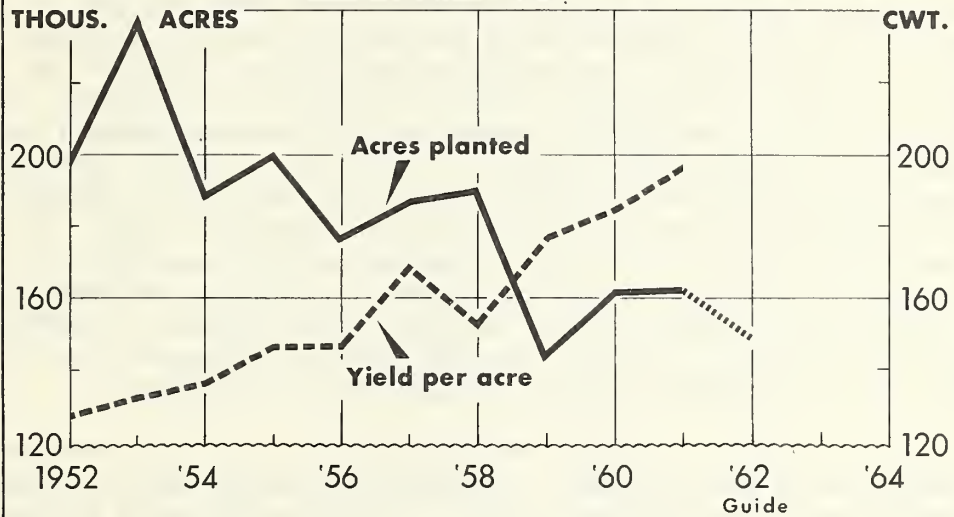
Prices received by farmers for spring potatoes often show sharp changes as the season progresses. Year-to-year changes in price have been severe. In the ten years ended 1961, year-to-year changes in price averaged 47 percent. Farmers' prices for spring potatoes are dependent largely upon potential and actual tonnage for harvest, the quality and relative maturity of supplies, the magnitude of overlap of supplies in storage, and the level in inventories of processed potatoes.

Most of the spring supply is sold for fresh table use. However, demand for round white spring supplies for chipping is increasing; potato chippers have been contracting for acreages, principally in Arizona and Florida. In California, pick-outs are diverted to air-strips for dehydration, and for eventual use as livestock feed.

Spring crop acreage in 1961 totaled 163,500 acres, slightly more than in 1960 but nine percent less than the 1955-59 average. Average yield per acre increased to a record 198 hundredweight, almost a fifth above average. Production amounted to 31.6 million hundredweight, six percent more than in 1960 and 13 percent above average. California produced more than half of the total spring crop.

Weather generally was favorable for crop development. However, a few areas encountered production problems. In Alabama, excessive rains at planting time rotted seed pieces; much acreage was replanted and the crop was delayed.

SPRING POTATO ACREAGE DECLINE SLOWS, YIELD CONTINUES UPTREND

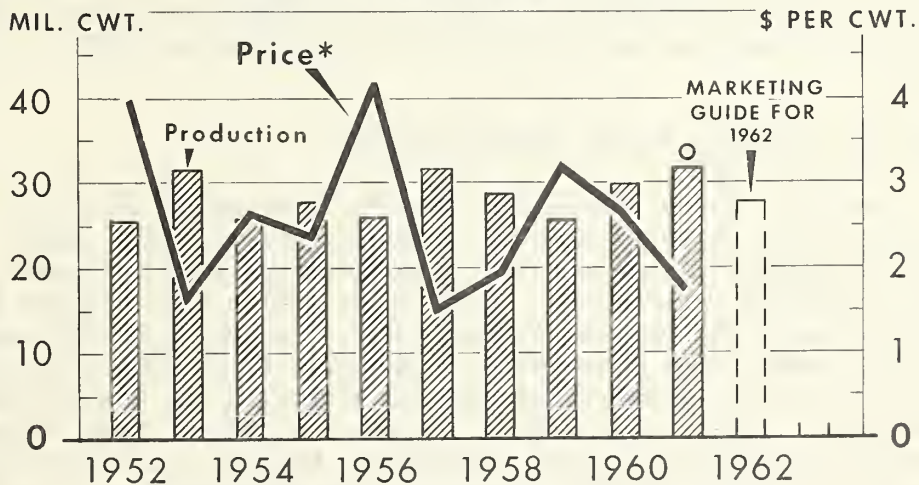


U. S. DEPARTMENT OF AGRICULTURE

NEG AMS 102-61 (10)

AGRICULTURAL MARKETING SERVICE

SPRING POTATO PRODUCTION UP IN 1961 AND FARM PRICE LOWER



* SPRING SEASON AVERAGE PRICE RECEIVED BY FARMERS

○ 1961 PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE

NEG AMS 99-61 (10)

AGRICULTURAL MARKETING SERVICE

Low temperatures and heavy rains in May damaged some acreages in northeastern North Carolina; excessive rains during the last of June delayed harvest (but improved yields), which resulted in a price-depressing overlap in harvest with the Virginia Eastern Shore area.

In Florida, growers harvested a small percentage of their acreage in April. Harvesting and resulting shipments were heavier than usual in May and the first part of June. In California, the marketing season was difficult for growers. Outlets for Kern County potatoes in eastern terminals were checked because of ample supplies flowing from storage areas and the seasonal peaks in shipments from southeastern spring areas. Growers in California slowed harvesting from time to time to prevent accumulation of excessive supplies in terminals. Harvest also was interrupted during June because of excessive heat. In Arizona, potatoes were culled heavily in late fields as extreme temperatures lowered quality. Because of the replanting of acreage in Alabama, harvesting extended over a longer period than normal. Baldwin County growers encountered severe competition in May from the seasonal peak in shipments from Florida, and in June from the seasonal peak in shipments from California.

On March 1, 1961, stocks in storage amounted to 63.1 million hundredweight, 8 percent more than a year earlier. Consequently, marketings of storage potatoes were heavy in the spring of 1961. Shipments of Maine storage potatoes in May and June 1961, for example, amounted to 8,550 carlot equivalents compared with 6,300 in the same period in 1960. Shipments of potatoes from the Red River Valley and Idaho continued at a relatively heavy rate into late May.

Prices received by farmers for spring potatoes in 1961 averaged approximately \$1.80 per hundredweight. This was 32 percent below the 1960 average of \$2.66 and was among the lowest prices in the past decade. Farm prices in major states in 1961 compared with 1960 were California, \$1.65 and \$2.53; Florida, \$2.10 and \$3.92; and Arizona \$2.33 and \$2.57. Value of sales received by farmers for 1961 spring potatoes is expected to be substantially less than the 1960 and 1959 crop year values which were \$79.6 million and \$82.4 million, respectively.

VI. SUMMARY FOR SELECTED SPRING POTATO STATES

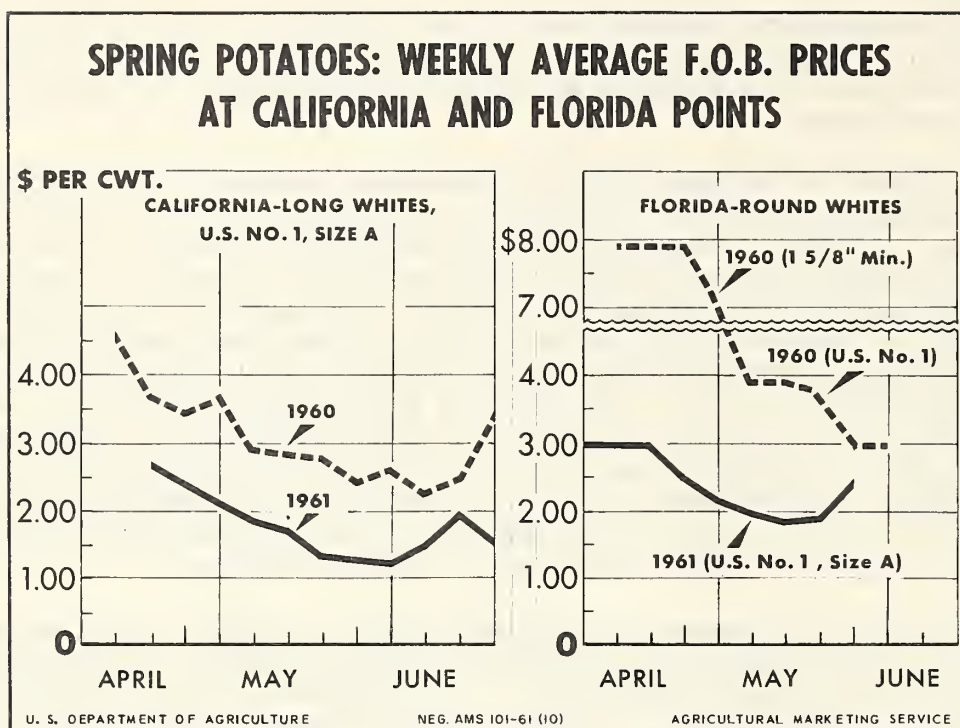
Alabama: Acreage in the Sand Mountain area was increased sharply in 1961 but growers in the Baldwin area planted an acreage equal to 1961. Heavy rains hit the Baldwin area at planting time. Some acreages were replanted and the completion of planting was delayed. Only a few fields that did not require replanting were ready for harvest in early May. General harvest began in mid-May, 2 to 3 weeks later than normal. The quality of 1961 crop round red varieties, which account for the bulk of production in the Baldwin area, was below average. However, quality of Sebagoes (round whites) harvested in Escambia county was generally good. Production amounted to 2.3 million hundredweight compared with 2.6 in 1960. Shipments from Baldwin County continued in volume from the week ended May 20 through mid-June when heavy rains curtailed harvest. Most of the crop in the Sand Mountain area was marketed in July and August. Shipments of 1961 crop Alabama potatoes amounted to approximately

5,300 carlot equivalents compared with 6,000 in 1960. F.o.b. prices for round reds and Sebagoes, U. S. No. 1, Size A, were mostly \$2.00 to \$2.50. Prices for red varieties declined as the season progressed but prices for Sebagoes strengthened.

Arizona: Growers in the Queen Creek - Mesa area increased acreage sharply in 1961. Acreage was reduced slightly in the Yuma area and moderately in the Phoenix area. In 1961, production of red varieties for sale to fresh market was reduced substantially as growers increased the production of Kennebecs (round white variety) in response to contracts for supplies for chipping. Approximately 45 percent of the state's potato acreage was seeded to Kennebecs. Production amounted to 2.7 million hundredweight in 1961 compared with 2.4 a year earlier and 2.0 in 1959. Shipments of Arizona supplies reached volume in late April and continued into early July; two-thirds of the supply was marketed in June. Shipments amounted to 5,700 carlot equivalents, moderately above the total of a year earlier. At Arizona shipping points, prices for round reds, U. S. No. 1, Size A, averaged \$2.53 in May 1961 and \$1.96 in June. Prices for the Kennebec variety were established by contract.

California: Growers increased acreage materially in 1961. Crop development was excellent and a near-record yield per acre was obtained. Production amounted to 17.8 million hundredweight. This compared with 16.9 million hundredweight in 1960 and 14.6 in 1959. Approximately 80 percent of the production consisted of the long white (White Rose) variety. The Kennebec (round white) variety accounted for a tenth of the tonnage, and the remainder was mostly round red varieties. Acreage and production of reds was cut sharply in 1961. And growers increased production of Kennebecs for sale to potato chippers. Harvest and shipments began early in April, continuing to mid-July. Two-fifths of the acreage was harvested by June 1. In the week ended June 20, harvest was curtailed because of high temperatures. Growers also slowed harvest from time to time in June because of large inventories in terminals. As a result of the slowing of harvest in June, about a tenth of the acreage was harvested in July. Because of the extreme heat in June, quality of some supplies was lowered and heavier cullage resulted. Prices received for California long whites trended downward from the start of harvest until nearly mid-June, but strengthened thereafter (see chart page 12). Prices for round reds averaged substantially higher than prices for long whites.

Florida: Acreage was reduced moderately in 1961. Unlike 1960 when excessive rains and frosts damaged the crop, weather in 1961 was ideal for growing and harvesting, and the seasonal yield was a record. Production amounted to 4.5 million hundredweight compared with 3.4 a year earlier and 3.1 in 1959. The Sebago (round white) variety accounted for 85 percent of the tonnage, round reds accounted for 10 percent, and other round white varieties, mainly Kennebecs and Pungos, accounted for the remainder. Size of tubers was relatively large in 1961, with most of the supply grading 2 inches or more in diameter. In 1960, tubers were small and during part of the season, the minimum size for fresh packs was 1-5/8 inches. Harvest and shipments began the first week in April and continued into early June. A small percentage of the crop was marketed in April which resulted in added pressure of supplies



and heavy shipments in May. A substantial portion of the Sebago production was under pre-season contract to potato chippers. As shown in the chart, the prices received for Florida Sebagoes in 1961 averaged materially less than a year earlier.

North Carolina: The crop was late due to cold weather during the planting and growing season. Acreage, yield, and production in 1961 were slightly below the respective levels in 1960. Production amounted to 2.4 million hundredweight compared with 2.6 in 1960. Most of the supply, as is usual, originated in the northeastern counties. Harvest began June 10. Shipments, however, never attained significant volume because growers were reluctant to harvest and market at prevailing price levels. Also, intermittent rains the last week of June and first week in July prevented harvest. The delay in harvest in North Carolina resulted in an overlap with harvest on the eastern shore of Virginia, and intensified pressure on prices at shipping points. F.o.b. prices for North Carolina Cobblers, U. S. No. 1, Size A, opened in June at \$2.25 per cwt., declining to \$1.25 by mid-July.

South Carolina: Since 1959, acreage, yield, and production have held within a narrow range. Crop progress in 1961 was retarded by cold temperatures in March and April. Harvest started in late May but the bulk of the crop was dug between June 6 and June 21. Production, which consisted mainly of the Sebago variety, amounted to a half million hundredweight. Supplies moved both to fresh market and to chippers. F.o.b. prices for Size A Sebagoes ranged from \$2.50 per cwt. to \$2.75, approximately 50 cents less than the range in 1960.

Potatoes: Shipments Recorded for Selected States,
April 1 - June 30, 1961 and 1960

Crop and State	: Shipments, April 1 - June 30 : 1961 as percentage		
	: 1961	: 1960	: of 1960
	<u>Carlot equivalents</u>		<u>Percent</u>

Storage Crop States:

Maine	17,629	15,420	114
Minnesota - North Dakota	5,026	4,656	108
Idaho	5,913	4,674	126
Colorado	1,298	2,360	55
Oregon	1,337	916	146
Washington	393	199	197
Total	<u>31,596</u>	<u>28,225</u>	<u>112</u>

New Crop States:

California	31,500	31,100	101
Florida	9,822	7,602	129
Arizona	5,379	5,231	103
Alabama	3,805	5,489	69
South Carolina	726	784	93
North Carolina	834	1,331	63
Virginia	1,601	3,736	43
Total	<u>53,667</u>	<u>55,273</u>	<u>97</u>

Note: Data subject to revision; carlot equivalents range from 36,000 pounds to 43,000 pounds for new crop and 43,000 pounds to 50,000 pounds for storage crop.

Spring Potatoes: Usual Marketing Dates and Average Production

Season and State	Usual marketing dates			1958-1961
	Begins	Most active	Ends	average production 1,000 cwt.

Early Spring:

Florida	March 15	April 1 - May 31	June 10	3,910
Texas	March 25	April 1 - April 30	May 10	82

Late Spring:

North Carolina	May 25	June 5 - July 25	July 31	2,409
South Carolina	May 15	May 25 - June 25	July 15	502
Georgia	May 15	May 20 - June 30	July 15	41
Alabama	April 20	April 25 - June 25	August 15	2,369
Mississippi	May 15	May 20 - July 10	September 1	237
Arkansas	June 1	June 5 - July 5	July 20	362
Louisiana	April 20	May 1 - June 30	July 20	215
Oklahoma	June 1	June 5 - July 5	July 15	129
Texas	April 25	May 5 - June 30	July 15	500
Arizona	May 20	June 1 - June 30	July 15	2,189
California	April 15	May 1 - July 31	August 15	15,984

